



Capital Assets Leasing
Corporation Limited

20th Annual Report 2012

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CORPORATE INFORMATION

Board of Directors:	Mr. Muhammad Sajid (Chairman) Mr. Saad Saeed Faruqui (Chief Executive Officer) Syed Hasan Akbar Kazmi Syed Sajid Nasim Mr. Shahrukh Saeed Faruqui Mr. Mustafa Jafar Ms. Ayesha Qadri
Audit Committee:	Mr. Muhammad Sajid (Chairman) Syed Sajid Nasim (Member) Mr. Mustafa Jafar (Member) Mr. Moiz Saifuddin (Secretary)
HR & Remuneration Committee:	Mr. Muhammad Sajid Mr. Saad Saeed Faruqui Mr. Mustafa Jafar
Chief Executive Officer:	Mr. Saad Saeed Faruqui
CFO & Company Secretary:	Mr. Abdul Wajid Soherwardy
Head of Internal Audit:	Mr. Moiz Saifuddin
Registrar & Share Transfer Office:	Technology Trade (Pvt.) Ltd. Ballotter, Share Registrar & Transfer Agent Dagia House, 241-C, Block-2, P.E.C.H.S, Karachi. Tel: 92(21) 3439 1316-7 & 19, 3438 7960-1 Fax: 92(21) 3439 1318
Auditors:	Baker Tilly Mehmood, Idrees, Qamar, Chartered Accountants
Legal Advisor:	Mohsin Tayebaly & Co. Advocates Hosain & Rahim, Advocates & Corporate Counsel
Bankers:	JS Bank Limited
Registered Office:	14th Floor, Chapal Plaza, Hasrat Mohani Road, Karachi-74000 Tel: +92 (21) 3243 1181-8 Fax: +92 (21) 3246 5718 E-mail: calcorp@optimus.com.pk Web: www.calcorp.com.pk

VISION / MISSION STATEMENTS OF CAPITAL ASSETS LEASING CORPORATION LIMITED

VISION STATEMENT

To become a leading Leasing Company by making a sizeable contribution to the development and growth of the Country's economy, by providing financial and technical assistance to our customers, combined with innovative ideas and services, thus enabling the customers and the Company to achieve their objectives.

MISSION STATEMENT

To achieve the role of a leading Leasing Company by delivering quality service at competitive rates to its customers whilst maintaining the highest levels of professionalism, ethical standards and corporate individuality, thereby also rewarding the Shareholders, Employees, and other stakeholders.

NOTICE OF 20th ANNUAL GENERAL MEETING

Notice is hereby given that 20th Annual General Meeting of the shareholders of Capital Assets Leasing Corporation Limited will be held on Saturday 20th October 2012 at 12:30 p.m. at the registered office of the Company, 14th Floor, Chapal Plaza, Hasrat Mohani Road, Karachi to transact the following business:

1. To confirm the minutes of the 19th Annual General Meeting of the shareholders held on Saturday 29th October 2011.
2. To receive, consider and adopt the Audited Accounts of the Company for the year ended June 30, 2012
3. To appoint Auditors and fix their remuneration. The present Auditors, Messrs. Baker Tilly Mehmood, Idrees, Qamar, Chartered Accountants, retire and being eligible, offer themselves for re-appointment.
4. To transact any other business with the permission of the chair.

Karachi: September 28, 2012

By the Order of the Board
Abdul Wajid Soherwardy
Company Secretary

Notes:

1. The share transfer book of the Company will remain closed from 14th October 2012 to 20th October 2012 (both days inclusive). Transfers received in order by our Shares Registrar, Technology Trade (Private) Limited, Dagia House, 241-C, Block 2, P.E.C.H.S., Off Shahrah-e-Quaideen, Karachi at the close of business on October 13th, 2012 will be considered in time to attend and vote at the meeting.
2. Any member of the Company entitled to attend and vote at the Annual general meeting may appoint another person as his / her proxy to attend and vote instead of him / her. Proxies must be received at the Registered Office of the Company, 14th Floor, Chapal Plaza, Hasrat Mohani Road, Karachi not later than 48 hours before the time of holding the meeting.
3. The beneficial owner of the shares of the Company in the Central Depository System of the CDC or his / her proxy entitled to attend and vote at this meeting, shall produce his / her original CNIC or passport to prove his / her identity.
4. In case of corporate entity, the board of director's resolution / power of attorney with specimen signature of the nominee shall be submitted with the form of proxy to the Company, and the same shall be produced in original at the time of the meeting to authenticate the identity.
5. Shareholders are requested to immediately notify the Company of change in their addresses, if any.
6. CDC Account Holders will further have to follow the guidelines as laid down in Circular No. 1, dated January 26, 2000 issued by the Securities and Exchange Commission of Pakistan.

DIRECTORS' REPORT

On behalf of the Board of Directors, I am pleased to present the 20th annual report along with the audited accounts of the Capital Assets Leasing Corporation Limited for the year ended June 30th, 2012.

FINANCIAL HIGHLIGHTS

An analysis of the key operating results for 2012 and their comparison with the results of the previous year is summarized below:

	Rupees	
	2012	2011
Total Revenue	22,021,796	16,963,235
Expenses		
Operating Expenses	6,428,240	5,910,539
Financial Charges	1,109,430	2,012
Other Charges	2,129,720	248,470
(Reversal) / Provisions and write offs	(55,530)	(1,372,807)
Total Expenses	9,611,860	4,788,214
Profit before tax	12,409,936	12,175,021
Provision for taxation		
Current	(346,671)	(335,034)
Deferred	(4,194,784)	29,908,957
	(4,541,455)	29,573,923
	7,868,481	41,748,944
Earnings Per Share	0.73	3.89

REVIEW OF OPERATIONS

The operational profit for the period is Rs. 12.4 Million. Net profit after tax for the year 2012 is Rs. 7.86 million as against Rs. 41.7 million in prior year. The difference is mainly due to the charge of deferred tax expense amounting Rs. 4.2 million in current year as against deferred tax income of Rs. 29.5 million in prior year. In the current year, the company transacted business worth Rupees 20.14 million as compared to Rupees 16.96 million in the corresponding period. The net investment in finance lease stands at Rupees 9.54 million on June 30, 2012 against Rupees 10.11 million last year. No new lease business has been registered by the company due to the minimum capital requirement of NBFC regulations and the fact that leasing license of the company has not been renewed.

The company has significantly increased its car rental operations by acquiring fleet of vehicles in the last quarter of the year through finance lease. This new addition of fleet will contribute in the company's profitability in coming days.

FUTURE OUTLOOK

The Car Rental business of the company is now well established with the management support from its parent company. Company has already raised debt on its balance sheet and intends to raise more to expand its operations. This will add value to the company's reputation and eventually facilitate while raising equity in order to meet minimum capital requirement. Management intends to soon raise equity and revive the leasing license so it can explore the market of car financing alongside its car rental business.

DIVIDEND

No dividend has been announced for the current year as management intends to meet minimum equity requirement and therefore reserves are being accumulated.

BOARD OF DIRECTORS

On October 28, 2011, Mr. Sardar Ali Watto's resignation was accepted by the Board of Directors and Ms. Ayesha Qadri was appointed with immediate effect to fill the casual vacancy caused by the resignation of Mr. Sardar Ali.

The Board wishes to place on record its appreciation for the valuable contributions made by the outgoing Director and welcomes the new Director.

CORPORATE GOVERNANCE

The Board of Directors is committed to uphold the highest standards of Corporate Governance. The company has also implemented the provisions of the Code of Corporate Governance and a review report on compliance with best practices of the Code of Corporate Governance by the statutory auditors is annexed with the report.

DIRECTORS' DECLARATION

The Directors confirm compliance with the Corporate and Financial Reporting Framework of the Code of Corporate Governance for the following:

- i) The financial statements prepared by the management of the company present fairly its statement of affairs, the results of its operations, comprehensive income, cash flows and changes in equity;
- ii) Proper books of accounts of the company have been maintained;
- i) Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment;

- iv) International Accounting Standards, as applicable in Pakistan, have been followed in preparation of financial statements and any departures therefrom has been adequately disclosed and explained;
- v) The system of internal control is sound in design and has been effectively implemented and monitored;
- vi) There are no significant doubts upon the company's ability to continue as going concern;
- vii) There has been no material departure from the best practice of Corporate Governance as detailed in the Listing Regulations;
- viii) Key operating and other financial data for the last six years in summarized form is included in the Annual Report;
- ix) During the current fiscal year, trading in shares of company was made by the following directors:
- a. Ms. Ayesha Qadri 500 Shares
- b. Mr. Sardar Ali Wattoo 500 Shares
- x) During the year seven meetings of the Board of Directors were held that were attended as follows:

S. No	Name of Director	Meetings Attended
1	Mr. Saad Saeed Faruqui	7
2	Mr. Muhammad Sajid	7
3	Syed Hasan Akbar Kazmi	2
4	Syed Sajid Nasim	7
5	Shahrukh Saeed Faruqui	7
6	Mustafa Jaffer	3
7	Ayesha Qadri	4

Leave of absence was granted to Directors who could not attend the Board meeting.

PARENT COMPANY

Optimus Limited holds 83.96% of the shareholding in the company.

AUDITORS

The present auditors M/s Baker Tilly Mehmood Idress Qamar & Company, Chartered Accountants, retire and being eligible, offer themselves for re-appointment for the year ending June 30, 2013. On the proposal of the Audit Committee, Board recommends the appointment of M/s Baker Tilly Mehmood Idress Qamar & Company, Chartered Accountants, as statutory auditors of the company for the financial year 2013.

PATTERN OF SHAREHOLDING

The pattern of shareholding of the company as on June 30, 2012 is annexed with this report.

ACKNOWLEDGEMENT

We take this opportunity to place on record our appreciation to the Securities and Exchange Commission of Pakistan, all three stock exchanges of the country and other regulatory authorities for their continued support and professional guidance, and the shareholders for the trust and confidence reposed in us.

We would also like to place on record, our thanks and appreciation to the staff for their commitment and dedication in running the operations.

For and on behalf of the Board of Directors

Karachi - September 25, 2012

Saad Saeed Faruqui
Chief Executive Officer

STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE For The Year ended June 30th, 2012

This statement is being presented to comply with the Code of Corporate Governance contained in Regulation No.35 of listing regulations of Karachi Stock Exchange for the purpose of establishing a framework of good governance, whereby a listed company is managed in compliance with the best practices of corporate governance.

The company has applied the principles contained in the code in the following manner:

1. The company encourages representation of independent non-executive directors and directors representing minority interests on its board of directors. At present the board includes:

Category	Names
Executive Directors	Saad Saeed Faruqui
Non-Executive Directors	Muhammad Sajid
	Syed Hasan Akber Kazmi
	Syed Sajid Nasim
	Sharukh Saeed Faruqui
	Mustafa Jaffer
	Ayesha Qadri

2. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this company.
3. All the resident directors of the company are registered as taxpayers and none of them has defaulted in payment of any loan to a banking company, a DFI or an NBFII or, being a member of a stock exchange, has been declared as a defaulter by that stock exchange.
4. A casual vacancy occurring on the board on October 28th, 2011 was filled up by the directors within 1 day.
5. The company has prepared a "Code of Conduct" and has ensured that appropriate steps have been taken to disseminate it throughout the company along with its supporting policies and procedures.
6. The board has developed a vision/mission statement, overall corporate strategy and significant policies of the company. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.
7. All the powers of the board have been duly exercised and decisions on material transactions, including appointment and determination of remuneration and terms and conditions of employment of the CEO, other executive and non-executive directors, have been taken by the board/shareholders.
8. The meetings of the board were presided over by the Chairman and, in his absence, by a director elected by the board for this purpose and the board met at least once in every quarter. Written notices of the board meetings, along with agenda and working papers, were circulated at least seven days before the meetings. The minutes of the meetings were appropriately recorded and circulated.

9. The board has approved appointment of CFO, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment.
10. The directors' report for this year has been prepared in compliance with the requirements of the Code of Corporate Governance (CCG) and fully describes the salient matters required to be disclosed.
11. The financial statements of the company were duly endorsed by CEO and CFO before approval of the board.
12. The directors, CEO and executives do not hold any interest in the shares of the company other than that disclosed in the pattern of shareholding.
13. The company has complied with all the corporate and financial reporting requirements of the CCG.
14. The board has formed an Audit Committee. It comprises of three members, who are non-executive directors including the chairman of the committee.
15. The meetings of the audit committee were held at least once every quarter prior to approval of interim and final results of the company and as required by the CCG. The terms of reference of the committee have been formed and advised to the committee for compliance.
16. The board has formed an HR and Remuneration Committee. It comprises of three members, of whom two are non-executive directors including the chairman of the committee.
17. The board has set up an effective internal audit function.
18. The statutory auditors of the company have confirmed that they have been given a satisfactory rating under the quality control review program of the ICAP, that they or any of the partners of the firm, their spouses and minor children do not hold shares of the company and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the ICAP.
19. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the listing regulations and the auditors have confirmed that they have observed IFAC guidelines in this regard.
20. The 'closed period', prior to the announcement of interim/final results, and business decisions, which may materially affect the market price of company's securities, was determined and intimated to directors, employees and stock exchange(s).
21. Material/price sensitive information has been disseminated among all market participants at once through stock exchange(s).
22. We confirm that all other material principles enshrined in the CCG have been complied with, except for the following, toward which reasonable progress is being made by the company to seek compliance by the end of next accounting year.
 - Training programs for the members of the Board of Directors.

Saad Saeed Faruqi
Chief Executive Officer

Muhammad Sajid
Chairman

REVIEW REPORT TO THE MEMBERS ON STATEMENT OF COMPLIANCE WITH BEST PRACTICES OF THE CODE OF CORPORATE GOVERNANCE

We have reviewed the Statement of Compliance with the best practices contained in the Code of Corporate Governance prepared by the Board of Directors of CAPITAL ASSET LEASING CORPORATION LIMITED to comply with the Listing Regulation of the Karachi, Islamabad and Lahore Stock Exchanges, where the Company is listed.

The responsibility for compliance with the Code of Corporate Governance is that of the Board of Directors of the Company. Our responsibility is to review, to the extent where such compliance can be objectively verified, whether the Statement of Compliance reflects that status of the Company's compliance with the provisions of the Code of Corporate Governance and report if it does not. A review is limited primarily to inquiries of the Company personnel and review of various documents prepared by the Company to comply with the code.

As part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We have not carried out any special review of the internal control system to enable us to express an opinion as to whether the Board's Statement on internal control covers all controls and the effectiveness of such internal controls.

Further, Listing Regulations of the Stock Exchanges where the company is listed require the Company to place before the Board of Directors for their consideration and approval of related party transactions distinguishing between transactions carried out on terms equivalent to those that prevail in arm's length transactions and transactions which are not executed at arm's length price recording proper justification for using such alternate pricing mechanism. Further, all such transactions are also required to be separately placed before the audit committee. We are only required and have ensured compliance of requirement to the extent of approval of related party transactions by the Board of Director and placement of such transactions before the audit committee. We have not carried out any procedures to determine whether the related party transactions were undertaken at arm's length price or not.

Based on our review nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the best practices contained in the Code of Corporate Governance as applicable to the Company of the year ended June 30, 2012.

Engagement Partner: Mehmood. A. Razzak

Karachi

Date: September 25, 2012

AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed balance sheet of CAPITAL ASSET LEASING CORPORATION LIMITED as at June 30, 2012 and the related profit and loss account, statement of other comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof, (*here-in-after referred to as the financial statements*) for the year then ended and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.

It is the responsibility of the Company's management to establish and maintain a system of internal control, and prepare and present the above said statements in conformity with the approved accounting standards and the requirements of the Companies Ordinance, 1984. Our responsibility is to express an opinion on these statements based on our audit.

We conducted our audit in accordance with the auditing standards as applicable in Pakistan. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the above said statements are free of any material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the above said statements. An audit also includes assessing the accounting policies and significant estimates made by management, as well as, evaluating the overall presentation of the above said statements. We believe that our audit provides a reasonable basis for our opinion and, after due verification, we report that:

- a) in our opinion, proper books of accounts have been kept by the Company as required by the Companies Ordinance;
- b) in our opinion:
 - i) the balance sheet and profit and loss account together with the notes thereon have been drawn up in conformity with the Companies Ordinance, 1984, and are in agreement with the books of account and are further in accordance with accounting policies consistently applied;
 - ii) the expenditure incurred during the year was for the purpose of the company's business; and
 - iii) the business conducted, investments made and the expenditure incurred during the year were in accordance with the objects of the company.
- c) in our opinion, and to the best of our information and according to the explanations given to us, the balance sheet, profit and loss accounts, statement of other comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof conform with approved accounting standard as applicable in Pakistan, and, give the information required by the Companies Ordinance, 1984, in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2012, and of the profit, its cash flow and changes in equity for the year then ended; and

- d) in our opinion no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

Without qualifying our opinion we draw attention to note 1.3 and 1.4 of the accompanying financial statements. As more fully described in these notes, the leasing license of the company has expired and not renewed by the Securities and Exchange Commission of Pakistan under the Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003, due to company's capital being below minimum capital required for a Non-Banking Financial Company (a leasing company licensed under the Non-Banking Companies and Notified Entities Regulation, 2008). The company has not advanced any lease facility since April 2008. These conditions indicate the existence of a material uncertainty which may cast significant doubt about company's ability to continue as a Non-Banking Financial Company for a foreseeable future period.

Engagement Partner: Mehmood. A. Razzak

Karachi.

Date: September 25, 2012

BALANCE SHEET AS AT JUNE 30, 2012

		June 30 2012 (Rupees)		June 30 2011 (Rupees)
	Note			
ASSETS				
Current Assets				
Cash and bank balances	5	318,901		535,558
Current portion of net investment in finance lease	8	9,548,235		10,115,203
Advances, deposits, prepayments and other receivables	6	8,022,530		10,903,196
Morabaha and short term finances	7	-		-
Taxation - net		5,566,818		4,652,846
		<u>23,456,484</u>		<u>26,206,803</u>
Non-Current Asset				
Long term advances, deposits and prepayments	9	5,864,474		252,063
Deferred tax asset	10	25,714,173		29,908,957
Property, plant and equipment	11	117,755,443		54,927,635
		<u>149,334,090</u>		<u>85,088,655</u>
TOTAL ASSETS		<u><u>172,790,574</u></u>		<u><u>111,295,458</u></u>
LIABILITIES AND EQUITY				
Current Liabilities				
Current portion of long term deposits	12	9,568,175		9,688,175
Current portion of liabilities against assets subject to finance lease	13	17,018,017		-
Trade and other payables	14	2,237,622		2,688,349
		<u>28,823,814</u>		<u>12,376,524</u>
Non Current Liabilities				
Liabilities against assets subject to finance lease	13	37,179,345		-
Authorised Share Capital				
20,000,000 (2011: 20,000,000) Ordinary shares of Rs. 10/- each		<u>200,000,000</u>		<u>200,000,000</u>
Issued, subscribed and paid-up share capital				
Reserves	15	107,444,130		107,444,130
	16	(656,715)		(8,525,196)
		<u>106,787,415</u>		<u>98,918,934</u>
Contingencies and Commitments	17	-		-
TOTAL LIABILITIES AND EQUITY		<u><u>172,790,574</u></u>		<u><u>111,295,458</u></u>

The annexed notes from 1 to 30 form an integral part of these financial statements.

Chief Executive Officer

Director

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED JUNE 30, 2012**

	Note	June 30 2012 (Rupees)	June 30 2011 (Rupees)
Income			
Income from operations	18	21,899,640	15,681,310
Other operating income	19	122,156	1,281,925
		22,021,796	16,963,235
Expenses			
Administrative and operating expenses	20	6,428,240	5,910,539
Financial charges	21	1,109,430	2,012
Other charges	22	2,129,720	248,470
(Reversals) / Provision and write offs	23	(55,530)	(1,372,807)
		9,611,860	4,788,214
Profit before taxation		12,409,936	12,175,021
Taxation	24	(4,541,455)	29,573,923
Profit after taxation		<u>7,868,481</u>	<u>41,748,944</u>
Earnings per share	25	<u>0.73</u>	<u>3.89</u>

The annexed notes from 1 to 30 form an integral part of these financial statements.

Chief Executive Officer

Director

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2012**

	June 30 2012 (Rupees)	June 30 2011 (Rupees)
Net income for the year	7,868,481	41,748,944
Other Comprehensive Income	-	-
Total comprehensive income for the year	<u>7,868,481</u>	<u>41,748,944</u>

The annexed notes from 1 to 30 form an integral part of these financial statements.

Chief Executive Officer

Director

CASH FLOW STATEMENT FOR THE YEAR ENDED JUNE 30, 2012

	June 30 2012 (Rupees)	June 30 2011 (Rupees)
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	12,409,936	12,175,021
Adjustments for non cash items:		
Depreciation	5,926,588	3,644,782
Financial charges	1,109,430	2,012
(Reversal)/ provisions and write off	(55,530)	(1,372,807)
Loss /(Gain) on disposal of operating property, plant and equipment	1,876,425	(1,257,879)
	21,266,849	13,191,129
Decrease/(Increase) in current assets		
Advances, deposits, prepayments and other receivables	2,904,380	(9,616,806)
(Decrease) in current liabilities		
Trade and other payables	(346,236)	(4,115,973)
	23,824,993	(541,650)
Cash generated /(used in)from operations		
Financial charges paid	(1,109,430)	(2,012)
Income tax paid	(1,260,643)	(1,354,249)
Net investment in lease and hire purchase finances	523,783	9,211,456
Morabaha and short term finances	75,000	625,000
Lease key money	(120,000)	(6,093,272)
Net cash generated from operating activities	21,933,703	1,845,273
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions in property, plant and equipment	(119,246,420)	(25,926,878)
Advance to supplier	(7,217,000)	-
Proceeds from sale of property, plant and equipment	55,832,600	24,060,927
Long term advances and deposits	(5,612,411)	273,964
Net cash (used in) investing activities	(76,243,231)	(1,591,987)
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend Paid	(104,491)	(663,326)
Liabilities against assets subject to finance lease	54,197,362	-
Net cash generated/(used in) financing activities	54,092,871	(663,326)
Net (decrease) in cash and cash equivalents	(216,657)	(410,040)
Cash and cash equivalents at the beginning of the year	535,558	945,598
Cash and cash equivalents at the end of the year	5	535,558

The annexed notes from 1 to 30 form an integral part of these financial statements.

Chief Executive Officer

Director

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2012**

	Issued, Subscribed and Paid-up Share Capital	Statutory Reserves	Accumulated (Loss)	Total
	Rupees			
Balance as at July 01, 2010	107,444,130	9,638,752	(59,052,672)	58,030,210
Net profit for the year	-	-	41,748,944	41,748,944
Transfer to reserve	-	8,349,789	(8,349,789)	-
Dividend @ 5% - Note 1	-	-	(860,220)	(860,220)
Balance as at June 30, 2011	107,444,130	17,988,541	(26,513,737)	98,918,934
Net profit for the year	-	-	7,868,481	7,868,481
Transfer to reserve	-	1,573,696	(1,573,696)	-
Balance as at June 30, 2012	<u>107,444,130</u>	<u>19,562,237</u>	<u>(20,218,952)</u>	<u>106,787,415</u>

Note - 1

The management of Optimus Limited (holding company) had waived its right to receive dividend from CALCORP, therefore, no dividend was appropriated for the same.

The annexed notes from 1 to 30 form an integral part of these financial statements.

Chief Executive Officer

Director

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED JUNE 30, 2012

1. LEGAL STATUS AND OPERATIONS

- 1.1 The company and its business CAPITAL ASSETS LEASING CORPORATION LIMITED was incorporated on April 1, 1992 in Pakistan as a public limited company and its shares are quoted on all Stock Exchanges in Pakistan. The principal activity of the Company is to carry on leasing business. In addition, the company is also engaged in renting out of vehicles through its holding company.

The registered office of the company is situated at 14th Floor, Chapal Plaza, Hasrat Mohani Road, Karachi. The company is a subsidiary of M/s. Optimus Limited which holds 83.96% ordinary share capital of the company.

- 1.2 According to the Non-Banking Finance Companies and Notified Entities Regulations, 2008 as notified by the SECP through its S.R.O.1203 (I) 2008, dated November 21, 2008, and further amended through its SRO 764 dated September 2, 2009 the minimum equity requirement for the leasing companies has been enhanced. The existing leasing companies are required to increase their minimum equity to Rs. 500 million latest by June 30, 2012, and Rs. 700 million by June 30, 2013. At present the company's equity is below prescribed limits.

- 1.3 As detailed in note 1.2, the company has been operating with an equity which is less than the statutory requirement and has stopped its leasing operations since April 2008. This creates significant doubt over company's ability to continue as a Non-Banking Financial Company (a leasing company licenced under the Non-Banking Companies and Notified Entities Regulation, 2008) for a foreseeable period.

- 1.4 The management has decided to raise further capital and enhance its equity atleast upto the minimum limit required to operate as a leasing company.

2. BASIS OF PREPARATION

- 2.1 Statement of compliance

These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan, the requirements of the Companies Ordinance, 1984 (the Ordinance), Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the Rules) and the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the Regulations) . Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standard Board as are notified under the Companies Ordinance, 1984, provisions of and directives issued under the Companies Ordinance, 1984. In case requirements differ, the requirements of the Ordinance , the Rules, the Regulations or the directives issued by the Securities and Exchange Commission of Pakistan (SECP) shall prevail.

2.3 Critical Accounting estimates and judgments

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience, including expectations of future events that are believed to be reasonable under the circumstances. The matters involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant which have been disclosed in the respective notes to the financial statements include:

- Useful life and residual value of property and equipment
- Provision for doubtful receivables - note 4.9
- Taxation - note 4.8

Standards, amendments and interpretations which became effective during the year

The following standards, amendments and interpretations to approved accounting standards have been published and are mandatory for the Company's accounting period beginning on or after the following dates:

- IAS 1, 'Presentation of financial statements' (effective January 01, 2011). The amendment clarifies that an entity will present an analysis of other comprehensive income for each component of equity, either in the statement of changes in equity or in the notes to the financial statements.
- IAS 24 Related Party Disclosures (revised 2009) - (effective for annual periods beginning on or after January 01, 2011). The revision amends the definition of related party and modifies certain related party disclosure requirements for government related entities. The amendment may result in certain changes in disclosures.
- IAS 34 (amendment), 'Interim financial reporting', is effective for annual periods beginning on or after January 01, 2011. The amendment provides guidance as to application of disclosure principles in IAS 34 and add disclosure requirements around the circumstances likely to affect fair values of financial instruments and their classification, transfers of financial instruments between different levels of the fair value hierarchy, changes in classification of financial assets and changes in contingent liabilities and assets. This amendment does not have a material impact on the company's financial statements.
- IFRS 7 (amendment), 'Financial instruments: Disclosures', is effective for annual periods beginning on or after January 01, 2011. The amendment emphasizes the interaction between quantitative and qualitative disclosures and the nature and extent of risks associated with financial instruments. The amendment does not have any impact on the company's financial statements.

There are other amendments to the standards and new interpretations that are mandatory for accounting periods beginning on or after July 01, 2011 but are considered not to be relevant or do not have any significant effect on the Company's Operations and therefore not detailed in these financial statements.

Standards and interpretations issued but not yet effective for the current financial year

	<u>Effective for periods beginning</u>
IFRS 1 First-time adoption of financial reporting standards (amendments)	January 01, 2013
IFRS 7 Financial instruments: Disclosures (amendments)	January 01, 2013
IFRS 9 Financial instruments	January 01, 2013
IFRS 10 Consolidated financial statements	January 01, 2013
IFRS 11 Joint arrangements	January 01, 2013
IFRS 12 Disclosure of interests in other entities	January 01, 2013
IFRS 13 Fair value measurement	January 01, 2013
IAS 1 Presentation of financial statements (amendments)	July 01, 2012
IAS 12 Income taxes (amendments)	January 01, 2012
IAS 16 Property, plant and equipment	January 01, 2013
IAS 19 Employee benefits (amendments)	January 01, 2013
IAS 27 Consolidated and separates financial statements (amendments)	January 01, 2013
IAS 28 Investments in associates and joint ventures (amendments)	January 01, 2013
IAS 32 Financial instruments: Presentation - classification of rights issue	January 01, 2013
IFRIC 20 Stripping costs in the production phase of a surface mine	January 01, 2013

The Company expects that the adoption of the above revisions, amendments and interpretations of the Standards will not affect the Company's financial statements except enhanced disclosures.

3. OVER ALL VALUATION POLICY

The financial statements are prepared under the historical cost convention except as disclosed in the accounting policies below.

4. SIGNIFICANT ACCOUNTING POLICIES

4.1 Net Investment in Finance Lease

Leases where the company transfers substantially all the risk and rewards incidental to ownership of the leased assets to the lessees, are classified as finance leases.

The lease asset is derecognized and the present value of the lease receivable is recognized on the balance sheet. The difference between the gross receivable and the present value of the lease receivable is recognized as unearned finance income.

Each lease payment received is applied against the gross investment in the finance lease receivable to reduce both the principal and unearned finance income. The finance income

is recognized in the income statement on a basis that reflects a constant periodic rate of return on the net investment in the finance lease receivable.

4.2 Property, Plant and Equipment

4.2.1 Owned

Tangible

These are stated at cost less accumulated depreciation. Depreciation is charged to income applying the straight line method. The rates of depreciation are given in note 11. With respect to Vehicles plying for hire, a residual value has been estimated equal to expected recoverable value at the end of its useful life while for other assets residual value is considered zero.

On additions, depreciation is charged from the month in which assets are put to use and on disposals up to the month immediately preceding the disposal. Maintenance and normal repairs are charged to income as and when incurred. Major renewals and improvements are capitalized and the assets so replaced, if any, are retired. gains or losses on disposal of assets are taken to the income statement.

Intangible

Intangibles are stated at cost less accumulated amortization and impairment, if any. These costs are amortized over their estimated useful life of three years using the straight-line method.

4.2.2 Leased

Finance leases, which transfer to the Company substantially all the risks and benefits incidental to the ownership of the leased item, are capitalised at inception of the lease at fair value of the leased property or, if lower, at present value of the minimum lease payments. Lease payments are apportioned between the finance charges and reduction of lease liability so as to produce a constant rate of return on the remaining balance of lease liability. Finance charges on lease liability are reflected in profit and loss account.

Assets acquired under finance lease are depreciated over the useful life of the assets on the same basis as that of owned assets.

A sale and leaseback transaction is one where the Company sells an asset and immediately reacquires the use of that asset by entering into a lease with the buyer. The accounting treatment of the sale and leaseback depends upon the substance of the transaction and whether or not the sale was made at the asset's fair value.

For sale and finance leasebacks, any profit from the sale is deferred and amortized over the lease term.

4.3 Obligation under finance lease

The Company accounts for assets acquired under finance leases by recording the assets and the related liabilities. The amounts are determined on the basis of discounted value of total minimum lease payments and residual value of the assets at the end of the lease period to be paid by the Company.

Financial charges are allocated to accounting periods in a manner so as to provide constant periodic rate of charge on the outstanding liability.

4.4 Trade and other receivables

Trade and other receivables are recognized at fair value of consideration receivable. Debts considered irrecoverable are written off and provision is made against those considered doubtful of recovery.

4.5 Trade, accrued and other payables

Liabilities for trade and other amounts payable are carried at cost which is the fair value of the consideration to be paid in future for goods and services.

4.6 Staff retirement benefits

Effective July 01, 1998, the company operates an approved defined contribution provident fund covering all its permanent employees. Equal monthly contribution to the fund are made both by the company and by the employee at rate of 8.33% of basic pay.

4.7 Revenue Recognition

4.7.1 Income from leasing operations

The Company recognizes all direct leases, sale and leaseback and hire purchase contracts of financing nature as finance leases. The total unearned income which consists of excess of aggregate lease rentals and residual value over the cost of the leased asset is deferred and amortized to income over the lease term using annuity method so as to produce a systematic return on net investment in lease finance. Front-end fees, lease document fees, commitment, other charges and other income is accounted for on accrual basis.

4.7.2 Income from Vehicle Plying for Hire

Income from hire of vehicles is recognised upon performance of service based on the terms of the rental contract.

4.7.3 Morabaha and Short-term finances

Profit on Morabaha and short-term finances is recognized on prorata basis taking into account relevant buy-back date. Gain on sale of investments is taken to income in the period in which it arises. Income on bank deposits is recognized on accrual basis. Dividend income is recorded at the time of closure of share transfer books of the company declaring the dividends.

4.8 Taxation

4.8.1 Current

The charge for the current taxation is based on taxable income at the current rate of taxation after taking into account tax credits, rebates available, if any and adjustments for prior years.

4.8.2 Deferred

Deferred tax asset is provided using the balance sheet liability method for all temporary differences at the balance sheet date between tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax asset is recognized for all deductible temporary differences and carry forward of unused tax losses, if any, to the extent that it is probable that taxable profit will be available against which such temporary differences and tax losses can be utilized.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

4.9 Provision for potential losses and provision for doubtful receivables

Provision for losses against lease, Morabaha finances, short term finances, long term advances is made according to the Non-Banking Finance Companies and Notified Entities Regulations, 2008. While the provision for other receivables is made on the best judgment of the management which in the opinion of the management represents the amount that is required to cover potential losses that can be reasonably anticipated. The allowance is increased by provision charged to income and decreased by charge-off and recoveries. The amounts are shown under respective heads as a deduction from gross amounts of receivables.

4.10 Cash and cash equivalents

Cash and cash equivalents are carried in the balance sheet at cost. For the purposes of the cash flow statement, cash and cash equivalents comprise cash in hand, with banks on current and savings accounts, term deposits with maturities of three months or less and short term running finance.

4.11 Impairment

The carrying values of assets or cash-generating units are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets or cash-generating units are written down to their recoverable amount and the resulting impairment is charged to profit and loss account.

4.12 Foreign currency transaction and translation

Pak rupee is the functional currency of the company.

Foreign currency transactions are converted into rupees at the rates of exchange approximating to those prevailing at the date of transaction. Monetary assets and liabilities in foreign currencies are translated into rupees at the rates of exchange approximating those prevailing at the balance sheet date. Exchange gains or losses are included in income currently.

4.13 Financial Instruments

Financial Assets

The Company classifies its financial assets in the following categories: at fair value through profit or loss, loans and receivables, available for sale and held to maturity. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

a) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are financial assets held for trading and financial assets designated upon initial recognition as at fair value through profit or loss. A financial asset is classified as held for trading if acquired principally for the purpose of selling in the short term. Assets in this category are classified as current assets.

b) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than twelve months after the balance sheet date, which are classified as non-current assets. Loans and receivables comprise trade debts, loans, advances, deposits, other receivable and cash and bank balances in the balance sheet.

c) Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investments within twelve months from the balance sheet date. These comprise investment in shares.

d) Held to maturity

Financial assets with fixed or determinable payments and fixed maturity, where management has intention and ability to hold till maturity are classified as held to maturity.

All financial assets are recognised at the time when the Company becomes a party to the contractual provisions of the instrument. Financial assets are initially recognised at fair value plus transaction costs except for financial assets at fair value through profit or loss. Financial assets are derecognised when the rights to receive cash flows from the assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership. Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value.

Financial Liabilities

All financial liabilities are recognised at the time when the Company becomes a party to the contractual provisions of the instrument.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in respective carrying amounts is recognised in the profit and loss account.

Financial liabilities carried on the balance sheet include Medium term finances, short term finances under markup arrangements and trade and other payables.

4.14 Transactions with related parties

Transactions and contracts with the related parties are carried out at an arm's length price determined in accordance with comparable uncontrolled price method.

	Note	June 30 2012 (Rupees)	June 30 2011 (Rupees)
5. CASH AND BANK BALANCES			
Cash in hand		12,871	8,150
Cash at banks:			
- In deposit accounts	5.1	204,031	319,020
- In current accounts		92,403	196,894
- Balance with State Bank of Pakistan		9,596	11,494
		<u>318,901</u>	<u>535,558</u>

5.1 Profit on deposit accounts is ranging from 5 % to 6 % (June 2011: from 5 % to 6 % p.a).

	Note	June 30 2012 (Rupees)	June 30 2011 (Rupees)
6. ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES			
Unsecured advances - considered good			
Staff		208,171	162,506
Provision against advance to staff		(132,006)	(132,006)
		76,165	30,500
Supplies and services		399,238	399,238
Provision against advances for supplies and services		(399,238)	(399,238)
		-	-
Current portion of long term security deposits		-	29,000
Prepayments		1,666,511	691,484
Provision	9	(150,804)	(150,804)
		1,515,707	540,680
Other receivables - considered good			
Other receivables - note 6.1		6,429,333	10,302,844
Others			
Others - considered doubtful		3,939,100	3,990,661
Accrued mark-up on short term finances		137,831	137,831
Less: Provisions against receivables		(4,075,606)	(4,128,320)
		1,325	172
		<u>8,022,530</u>	<u>10,903,196</u>
6.1 This represents / includes 6.429 million (2011: 4.719 million) receivable from Optimus Limited (Parent Company).			
7. MORABAHA AND SHORT TERM FINANCES			
Secured			
Morabaha finances		282,745	357,745
Short term finances	7.1	17,500	17,500
		300,245	375,245
Less: Provision for doubtful receivables		(300,245)	(375,245)
		<u>-</u>	<u>-</u>

- 7.1 The Company entered in morabaha facility with M/s. Home worthy Panels (Pvt.) Ltd. of Rs. 1.5 million in April 1996. The customer defaulted against the said facility. The company filed case against Home worthy Panels (Pvt.) Ltd in Banking Court no. IV, Lahore in 04 January 2000 . The Banking Court awarded decree in 08 December 2001. The customer execution proceeding of the same was pending in the Court for satisfaction of the decree dated 08 November 2002. On request of the Customer the company entered in a compromise Deed dated July 16, 2010 for recovery of Rs. 700,000/- . Which has been paid by the customer.

8. INVESTMENT IN FINANCE LEASE

	June 30, 2012			June 30, 2011		
	Not later than one year	More than one year and upto five year	Total	Not later than one year	More than one year and upto five year	Total
----- (Rupees) -----						
Minimum lease and hire purchase rentals	20,969,379	-	20,969,379	21,387,135	-	21,387,135
Add: Residual value of leased assets	9,568,175	-	9,568,175	9,688,175	-	9,688,175
Gross investment in lease and hire purchase finance 8.1	30,537,554	-	30,537,554	31,075,310	-	31,075,310
Less: unearned finance income (8.4)	(4,164,844)	-	(4,164,844)	(4,178,816)	-	(4,178,816)
Net investment in lease and hire purchase finance (8.2)	26,372,710	-	26,372,710	26,896,494	-	26,896,494
Less: Provision for lease losses (8.3)	(16,824,475)	-	(16,824,475)	(16,781,291)	-	(16,781,291)
Net investment in leases	9,548,235	-	9,548,235	10,115,203	-	10,115,203

- 8.1 These represent investment in lease finance and hire purchase under various lease agreements with implicit rate of return ranging from 15.73 to 18 (June 2011 : from 15.73 to 18)percent per annum. These agreements usually are for three years to five years period. In certain cases the company has security, in addition to leased assets, in the form of corporate/ personal guarantee of directors.

- 8.2 The investment in lease portfolio includes Rs. 22.014 million (June 2011: Rs. 22.049 million) which has been placed under over due status.

8.3 Particulars of provision against non-performing leases

	June 30, 2012			June 30, 2011		
	Specific	General	Total	Specific	General	Total
----- (Rupees) -----						
Opening balance	16,781,291	-	16,781,291	17,522,711	-	17,522,711
Charge / (reversal) for the year	43,184	-	43,184	(741,420)	-	(741,420)
Closing balance	16,824,475	-	16,824,475	16,781,291	-	16,781,291

8.4 The net unearned finance income includes suspended income of Rs. 4.146 million (June: 2011 : Rs. 4.143 million).

	Note	June 30 2012 (Rupees)	June 30 2011 (Rupees)
Particulars of suspended income			
Opening balance		4,143,852	4,278,152
Provided during the year		9,707	10,068
Reversed/realised during the year		(6,885)	(144,368)
Closing balance		<u>4,146,674</u>	<u>4,143,852</u>
9. LONG TERM ADVANCES, DEPOSITS AND PREPAYMENTS			
Advances - secured		-	-
Security deposits		5,995,990	334,290
Less: Provision		(309,290)	(280,290)
		5,686,700	54,000
Less: Current portion	6	-	(29,000)
		<u>5,686,700</u>	<u>25,000</u>
Prepayments		316,170	354,551
Less: Current portion		(138,396)	(127,488)
		177,774	227,063
		<u>5,864,474</u>	<u>252,063</u>
10. DEFERRED TAX ASSET			
Debit balances arising in respect of:			
Net investment in finance lease		-	8,052
Liabilities against assets subject to finance lease		18,969,077	-
Carryforward tax losses		30,593,990	33,231,775
		49,563,067	33,239,827
Credit balance arising in respect of:			
Accelerated depreciation		(23,848,894)	(3,330,870)
		<u>25,714,173</u>	<u>29,908,957</u>

	Note	June 30 2012 (Rupees)	June 30 2011 (Rupees)
11. PROPERTY, PLANT AND EQUIPMENT			
Property, plant and equipment - tangible assets	11.2	110,538,441	54,927,633
Advance to suppliers		7,217,000	-
Intangible asset	11.3	2	2
		<u>117,755,443</u>	<u>54,927,635</u>
11.1 Allocation of depreciation		5,849,498	3,547,081
On vehicle plying for hire		77,090	97,701
Administrative and operating expenses		<u>5,926,588</u>	<u>3,644,782</u>

Property And Equipment	COST				DEPRECIATION			
	As at 1-Jul-11	Additions/ (Disposals)/ Reclassification* (Written off)**	As at 30-Jun-12	Rate	As at 1-Jul-11	Charge for the period/ (Disposals)/ Reclassification* (Written off)**	As at 30-Jun-12	Written down value as at 30-Jun-12
	-----Rupees-----			%	-----Rupees-----			Rupees
11.2 Tangible - Owned								
Air conditioners & refrigerator	-	-	-	15	-	-	-	-
Electric fittings & installations	-	-	-	15	-	-	-	-
Motor vehicles	172,200	-	172,200	20	133,745	8,240	141,985	30,215
Office machines & equipment	547,200	-	547,200	15	416,110	50,336	466,446	80,754
Computer & allied equipment	447,619	(179,950)	267,669	30	429,760	17,846 (179,945)	267,661	8
Furniture & fixture	38,000	(6,500)	31,500	10	37,003	668 (6,175)	31,496	4
Motor vehicle plying for hire	57,652,298	68,937,420 (62,042,248)	64,547,470	20-25	3,163,604	4,554,430 (4,352,571)	3,365,463	61,182,007
Tracker System	334,149	309,000 (29,427)	613,722	25	83,611	100,705 (10,410)	173,906	439,816
Leased Motor Vehicle-VPFH	-	50,000,000	50,000,000	25	-	1,194,363	1,194,363	48,805,637
June 30, 2012	<u>59,191,466</u>	<u>119,246,420 (62,258,125)</u>	<u>116,179,761 116,179,761</u>		<u>4,263,833</u>	<u>5,926,588 (4,549,101)</u>	<u>5,641,320 5,641,320</u>	<u>110,538,441</u>

	COST			Rate	DEPRECIATION			Written down value as at 30-Jun-11
	As at 1-Jul-10	Additions/ (Disposals)/ Reclassification* (Written off)**	As at 30-Jun-11		As at 1-Jul-10	Charge for the period/ (Disposals)/ Reclassification* (Written off)**	As at 30-Jun-11	
	-----Rupees-----				-----Rupees-----			
Air conditioners & refrigerator	27,800	- (27,800)	-	15	27,799	- (27,799)	-	-
Electric fittings & installations	18,260	- (18,260)	-	15	6,848	1,598 (8,446)	-	-
Motor vehicles	185,000	41,200 (54,000)	172,200	20	178,598	9,146 (53,999)	133,745	38,455
Office machines & equipment	840,000	- (292,800)	547,200	15	645,766	63,136 (292,792)	416,110	131,090
Computer & allied equipment	1,845,204	- (1,397,585)	447,619	33	1,806,670	20,648 (1,397,558)	429,760	17,859
Furniture & fixture	119,954	- (81,954)	38,000	10	98,373	3,173 (64,543)	37,003	997
Motor vehicle plying for hire	56,031,298	25,785,000 (24,164,000)	57,652,298	20-25	1,189,582	3,453,040 (1,479,018)	3,163,604	54,488,694
Tracker System	363,798	100,678 (130,327)	334,149	25	29,093	94,041 (39,523)	83,611	250,538
June 30, 2011	59,431,314	25,926,878 (26,166,726)	59,191,466		3,982,729	3,644,782 (3,363,678)	4,263,833	54,927,633

11.3 Intangible Asset

	COST			Rate	DEPRECIATION			Written down value as at 30-Jun-12
	As at 1-Jul-11	Additions	As at 30-Jun-12		As at 1-Jul-11	Charge for the year	As at 30-Jun-12	
	-----Rupees-----				-----Rupees-----			
Computer software	281,280	-	281,280	30	281,278	-	281,278	2
June 30, 2012	281,280	-	281,280		281,278	-	281,278	2

	COST			Rate	DEPRECIATION			Written down value as at 30-Jun-11
	As at 1-Jul-10	Additions	As at 30-Jun-11		As at 1-Jul-10	Charge for the year	As at 30-Jun-11	
	-----Rupees-----				-----Rupees-----			
Computer software	281,280	-	281,280	30	281,278	-	281,278	2
June 30, 2011	281,280	-	281,280		281,278	-	281,278	2

11.4 Particulars of Disposal of Property, Plant and Equipment

	Original cost	Accumulated depreciation	Written down value	Sales proceeds	Profit / (Loss) on disposal	Mode of disposal	Particulars of buyer
----- Rupees -----							
Computers and allied equipments							
Scrap computers and printers	179,950	179,945	5	5,600	5,595	Negotiation	Excellent Disposable
Furniture and fixture							
Steel Cabnit	6,500	6,175	325	2,000	1,675	Negotiation	Mr. Awais Tabrez
Motor vehicle plying for hire							
Toyota Corolla Gli	1,384,000	129,744	1,254,256	1,350,000	95,744	Negotiation	Optimus Limited
Suzuki Cultus	850,000	84,113	765,887	773,574	7,687	Negotiation	Optimus Limited
Toyota Corolla Xli	1,050,000	21,876	1,028,124	1,045,260	17,136	Negotiation	Optimus Limited
Suzuki Cultus	855,000	97,966	757,034	765,000	7,966	Negotiation	Optimus Limited
Suzuki Mehran	470,000	56,304	413,696	470,000	56,304	Insurance Claim	SG Insurance
Honda Civic VTI	1,530,000	-	1,530,000	1,530,000	-	Sale & Lease Back	JS Bank
Honda Civic VTI	1,530,000	-	1,530,000	1,530,000	-	Sale & Lease Back	JS Bank
Honda Civic VTI	1,530,000	-	1,530,000	1,530,000	-	Sale & Lease Back	JS Bank
Honda Civic VTI	1,530,000	-	1,530,000	1,530,000	-	Sale & Lease Back	JS Bank
Honda Civic VTI	1,530,000	-	1,530,000	1,530,000	-	Sale & Lease Back	JS Bank
Honda Civic VTI	1,530,000	-	1,530,000	1,530,000	-	Sale & Lease Back	JS Bank
Honda Civic VTI	1,530,000	-	1,530,000	1,530,000	-	Sale & Lease Back	JS Bank
Honda Civic VTI	1,552,500	-	1,552,500	1,552,500	-	Sale & Lease Back	JS Bank
Honda Civic VTI	1,440,000	-	1,440,000	1,440,000	-	Sale & Lease Back	JS Bank
HONDA CITY (Automatic)	1,359,000	184,028	1,174,972	1,170,000	(4,972)	Sale & Lease Back	JS Bank
HONDA CITY (Automatic)	1,359,000	184,028	1,174,972	1,125,000	(49,972)	Sale & Lease Back	JS Bank
HONDA CITY (Automatic)	1,359,000	184,028	1,174,972	1,170,000	(4,972)	Sale & Lease Back	JS Bank
TOYOTA COROLLA (GLI)	1,384,000	187,408	1,196,592	1,215,000	18,408	Sale & Lease Back	JS Bank
TOYOTA COROLLA (XLI)	1,269,000	137,488	1,131,512	1,012,500	(119,012)	Sale & Lease Back	JS Bank
TOYOTA COROLLA (XLI)	1,269,000	137,488	1,131,512	945,000	(186,512)	Sale & Lease Back	JS Bank
TOYOTA COROLLA (XLI)	1,269,000	137,488	1,131,512	1,080,000	(51,512)	Sale & Lease Back	JS Bank
HONDA CIVIC Vti (Prosmatec Oriel)	1,849,000	182,970	1,666,030	1,620,000	(46,030)	Sale & Lease Back	JS Bank
TOYOTA COROLLA (GLI)	1,384,000	187,408	1,196,592	1,170,000	(26,592)	Sale & Lease Back	JS Bank
SUZUKI MEHRAN (VXR)	470,000	63,648	406,352	405,000	(1,352)	Sale & Lease Back	JS Bank
SUZUKI MEHRAN (VXR)	470,000	63,648	406,352	405,000	(1,352)	Sale & Lease Back	JS Bank
TOYOTA COROLLA (GLI)	1,384,000	221,053	1,162,947	1,170,000	7,053	Sale & Lease Back	JS Bank
TOYOTA COROLLA (XLI)	1,289,000	164,703	1,124,297	1,170,000	45,703	Sale & Lease Back	JS Bank
HONDA CITY (Manual)	1,252,000	199,962	1,052,038	1,080,000	27,962	Sale & Lease Back	JS Bank
HONDA CIVIC Vti (Prosmatec Oriel)	1,961,900	235,014	1,726,886	1,530,000	(196,886)	Sale & Lease Back	JS Bank
HONDA CIVIC Vti (Prosmatec Oriel)	1,961,900	235,014	1,726,886	1,620,000	(106,886)	Sale & Lease Back	JS Bank
HONDA CITY (Automatic)	1,404,546	168,245	1,236,301	1,170,000	(66,301)	Sale & Lease Back	JS Bank
HONDA CIVIC Vti (Prosmatec Oriel)	1,961,902	235,014	1,726,888	1,620,000	(106,888)	Sale & Lease Back	JS Bank
TOYOTA COROLLA (GLI)	1,414,000	169,395	1,244,605	1,260,000	15,395	Sale & Lease Back	JS Bank
TOYOTA COROLLA (Altis)	1,740,000	163,133	1,576,867	1,395,000	(181,867)	Sale & Lease Back	JS Bank
HONDA CIVIC Vti (Prosmatec Oriel)	1,930,000	170,884	1,759,116	1,620,000	(139,116)	Sale & Lease Back	JS Bank
TOYOTA COROLLA (GLI)	1,554,000	32,376	1,521,624	1,305,000	(216,624)	Sale & Lease Back	JS Bank
TOYOTA COROLLA (GLI)	1,577,500	24,648	1,552,852	1,395,000	(157,852)	Sale & Lease Back	JS Bank
Toyota Corolla Gli	1,350,000	-	1,350,000	1,350,000	-	Sale & Lease Back	JS Bank
HONDA CIVIC Vti (Prosmatec Oriel)	1,755,000	-	1,755,000	1,755,000	-	Sale & Lease Back	JS Bank
TOYOTA COROLLA (GLI)	1,275,000	66,410	1,208,590	1,099,000	(109,590)	Sale & Lease Back	JS Bank
TOYOTA COROLLA (GLI)	1,275,000	66,410	1,208,590	1,054,000	(154,590)	Sale & Lease Back	JS Bank
HONDA CITY(AT)	1,250,000	65,100	1,184,900	1,009,000	(175,900)	Sale & Lease Back	JS Bank
TOYOTA ALTIS	1,279,000	-	1,279,000	1,279,000	-	Sale & Lease Back	JS Bank
TOYOTA COROLLA (GLI)	1,275,000	66,410	1,208,590	1,099,000	(109,590)	Sale & Lease Back	JS Bank
HONDA CIVIC Vti	1,400,000	29,166	1,370,834	1,400,000	29,166	Negotiation	Optimus Limited
	62,042,248	4,352,570	57,689,678	55,803,834	(1,885,844)		
Tracker System							
	10,296	3,870	6,426	6,426	-	Negotiation	Optimus Limited
	5,172	432	4,740	4,740	-		
Tracker System	13,959	6,108	7,851	10,000	2,149	Negotiation	Optimus Limited
	29,427	10,410	19,017	21,166	2,149		
June 30, 2012	62,258,125	4,549,100	57,709,025	55,832,600	(1,876,425)		

11.5 Particulars of Disposal of Property, Plant and Equipment

	Original cost	Accumulated depreciation	Written down value	Sales proceeds	Profit / (Loss) on disposal	Mode of disposal	Particulars of buyer
----- Rupees -----							
Air conditioner and refrigerator Refrigerator - Dawlence	27,800	27,799	1	3,000	2,999	Negotiation	Mustang Securities
Electrical Fittings and Instalations 5 ceiling and 4 lover remote fans	18,260	8,446	9,814	6,650	(3,164)	Negotiation	Mustang Securities
Office machines and equipments Fax, photo copier, mobile	292,800	292,792	8	15,000	14,992	Negotiation	Millinium Stationers
Computers and allied equipments Scrap computers and printers	1,397,585	1,397,558	27	10,000	9,973	Negotiation	Millinium Stationers
Furniture and fixture Table, ladder cabnit and box	13,184	13,180	4	5,800	5,796	Negotiation	Millinium Stationers
Fire Proff Iron Safe and Painting	68,770	51,363	17,407	6,000	(11,407)	Negotiation	Mr Kashif
	81,954	64,543	17,411	11,800	(5,611)		
Motor Vehicle Honda CD 70	54,000	53,999	1	21,000	20,999	Negotiation	Mr. Imran Alam
Motor vehicle plying for hire							
Toyota Corolla Xli	1,359,000	35,390	1,323,610	1,359,000	35,390	Insurance Claim	SG Insurance Co.
Toyota Corolla Xli	1,269,000	79,320	1,189,680	1,189,680	-	Insurance Claim	SG Insurance Co.
Toyota Corolla Gli	1,414,000	88,380	1,325,620	1,416,408	90,788	Negotiation	Mr. Ahson Hayat
Toyota Corolla Gli	1,384,000	115,328	1,268,672	1,282,665	13,993	Negotiation	Mr. Kamran Qadir
Honda Civic	1,849,000	154,080	1,694,920	1,694,920	-	Insurance Claim	SG Insurance Co.
Toyota Corolla Xli	1,269,000	84,608	1,184,392	1,280,000	95,608	Negotiation	Optimus Limited
Toyota Corolla Xli	1,269,000	84,608	1,184,392	1,280,000	95,608	Negotiation	Optimus Limited
Toyota Corolla Xli	1,269,000	84,608	1,184,392	1,280,000	95,608	Negotiation	Optimus Limited
Toyota Corolla Xli	1,269,000	84,608	1,184,392	1,280,000	95,608	Negotiation	Optimus Limited
Toyota Corolla Xli	1,269,000	84,608	1,184,392	1,280,000	95,608	Negotiation	Optimus Limited
Toyota Corolla Xli	1,269,000	84,608	1,184,392	1,280,000	95,608	Negotiation	Optimus Limited
Toyota Corolla Xli	1,269,000	84,608	1,184,392	1,280,000	95,608	Negotiation	Optimus Limited
Toyota Corolla Xli	1,269,000	84,608	1,184,392	1,280,000	95,608	Negotiation	Optimus Limited
Toyota Corolla Xli	1,269,000	84,608	1,184,392	1,280,000	95,608	Negotiation	Optimus Limited
Toyota Corolla Xli	1,269,000	84,608	1,184,392	1,280,000	95,608	Negotiation	Optimus Limited
Toyota Corolla Xli	1,269,000	84,608	1,184,392	1,280,000	95,608	Negotiation	Optimus Limited
Toyota Corolla Gli	1,450,000	60,416	1,389,584	1,430,000	40,416	Negotiation	Optimus Limited
Honda City	1,480,000	15,416	1,464,584	1,450,000	(14,584)	Negotiation	Optimus Limited
	24,164,000	1,479,018	22,684,982	23,902,673	1,217,691		
Tracker System 12 NO Tracker System	130,327	39,523	90,804	90,804	-	Negotiation	Optimus Limited
June 30, 2011	26,166,726	3,363,678	22,803,048	24,060,927	1,257,879		

June 30 2012 (Rupees)	June 30 2011 (Rupees)
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12. CURRENT PORTION OF LONG TERM DEPOSITS

Long term deposits	9,568,175	9,688,175
	9,568,175	9,688,175

13. LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASE

	June 30, 2012			June 30, 2011		
	Not later than one year	More than one year and upto five year	Total	Not later than one year	More than one year and upto five year	Total
----- (Rupees) -----						
Minimum lease payments	23,130,685	42,060,038	65,190,723	-	-	-
Less: Financial charges allocated to future periods	(6,112,668)	(4,880,693)	(10,993,361)	-	-	-
Present Value of Minimum lease Payments	17,018,017	37,179,345	54,197,362	-	-	-

The Company had entered into lease agreements with JS Bank Limited. The lease rentals are payable on monthly basis and the financing rates ranges from 14.92% - 14.97% (2011: Nil) per annum. The company has the option to purchase the assets on the completion of lease period by adjusting the security deposit and also has the intention to exercise this option.

	June 30 2012 (Rupees)	June 30 2011 (Rupees)
14. TRADE AND OTHER PAYABLES		
Accrued expenses	1,139,382	876,827
Workers' Welfare Fund	253,295	248,470
Unclaimed dividend	625,293	729,784
Tax deducted at source	3,137	674,437
Others	216,515	158,831
	2,237,622	2,688,349

15. ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL

No. of Ordinary Shares				
2012	2011			
Rs. 10 each				
10,744,413	10,744,413	Fully paid in cash.	107,444,130	107,444,130

	Note	June 30 2012 (Rupees)	June 30 2011 (Rupees)
16. RESERVES			
Statutory reserve	16.1	17,988,541	9,638,752
Transfer from Profit and loss account		<u>1,573,696</u>	<u>8,349,789</u>
		19,562,237	17,988,541
Accumulated (loss)		<u>(20,218,952)</u>	<u>(26,513,737)</u>
		<u>(656,715)</u>	<u>(8,525,196)</u>
16.1	In accordance with the Prudential Regulations for Non- Banking Finance Companies, the company is required to transfer 20% of its after tax profits to statutory reserve until the reserve equals its paid up capital. Thereafter 5% of after tax profit is required to be transferred to reserve. An amount of Rs. 1,573,696 (June 2011: Rs. 8,349,789) has been transferred during the year.		
17. CONTINGENCIES AND COMMITMENTS			
17.1	Contingent Assets The company has obtained court decrees in respect of recovery of overdue lease rentals receivable from various clients aggregating to Rs. 7,211,463 as at June 30 2012 (June 30, 2011 : Rs. 7,211,463).		
	Note	June 30 2012 (Rupees)	June 30 2011 (Rupees)
18. INCOME FROM OPERATIONS			
Income on lease contracts	18.1	13,972	322,691
Income from vehicle plying for hire	18.2	21,885,668	14,978,409
Late payment and other charges		-	380,210
		<u>21,899,640</u>	<u>15,681,310</u>
18.1	Income on Lease Contracts		
		20,446	188,391
		<u>(6,474)</u>	<u>134,300</u>
		13,972	322,691
18.2	Income from Vehicle Plying for Hire		
		33,928,521	23,940,961
		291,471	515,903
		2,320,098	1,936,842
		386,674	286,101
		11,952	8,964
		1,493,160	1,225,161
		5,849,498	3,547,081
		1,690,000	1,442,500
		12,042,853	8,962,552
		<u>21,885,668</u>	<u>14,978,409</u>

18.3 The company has entered into an understanding with the holding company whereby company's vehicles have been deployed on hire through the holding company. A sum of Rs. 2,500 per month per vehicle has been fixed as service charges payable to the holding company.

	Note	June 30 2012 (Rupees)	June 30 2011 (Rupees)
19. OTHER OPERATING INCOME			
Gain on sale of property, plant and equipment		-	1,222,489
Gain on insurance claim		110,320	35,390
Commission income		-	3,782
Return on bank deposit		10,836	18,264
Other income		1,000	2,000
		<u>122,156</u>	<u>1,281,925</u>
20. ADMINISTRATIVE AND OPERATING EXPENSES			
Salaries, allowances and benefits		4,385,566	3,549,193
Travelling and conveyance charges		5,025	113,370
Depreciation	11.1	77,090	97,701
Repairs and maintenance		6,900	40,435
Printing and stationery		277,582	509,992
Telephone and postage expenses		73,655	102,457
Legal and professional charges		928,247	769,291
Vehicle running expenses		130,240	238,609
Insurance expenses		18,255	17,767
Entertainment expenses		24,720	44,781
Computer consultancy and maintenance		-	9,080
Auditor's remuneration	20.1	425,350	400,350
Donation		25,000	-
Sundry expenses		50,610	17,513
		<u>6,428,240</u>	<u>5,910,539</u>
20.1 Auditors' Remuneration			
Audit fee		180,000	175,000
Fee for Half yearly audit / review		180,000	175,000
Fee for Code of Corporate Governance Certificate		30,000	25,000
Out of pocket expenses		35,350	25,350
		<u>425,350</u>	<u>400,350</u>

	Note	June 30 2012 (Rupees)	June 30 2011 (Rupees)
21. FINANCIAL CHARGES			
Mark up on Finance Lease		1,104,052	-
Bank charges		5,378	2,012
		<u>1,109,430</u>	<u>2,012</u>
22. OTHER CHARGES			
Workers' welfare fund		253,295	248,470
Loss on disposal of fixed assets		1,876,425	-
		<u>2,129,720</u>	<u>248,470</u>
23. (REVERSALS)/PROVISIONS AND WRITE OFFS			
Provisions/(Reversals):			
- against leases		43,184	(713,514)
- against security deposit		29,000	-
- against advances, deposits and prepayments		(52,714)	(34,293)
- against morabaha finance		(75,000)	(625,000)
		<u>(55,530)</u>	<u>(1,372,807)</u>
24. TAXATION			
Current	24.1	(346,671)	(335,034)
Deferred		(4,194,784)	29,908,957
		<u>(4,541,455)</u>	<u>29,573,923</u>
24.1	The provision for current income tax is based on minimum taxation under section 113 of the Income Tax Ordinance, 2001.		
25. EARNINGS PER SHARE			
Profit after taxation	Rupees	7,868,481	41,748,944
Number of ordinary shares	Numbers	10,744,413	10,744,413
Earnings per share - basic and diluted	Rupees	<u>0.73</u>	<u>3.89</u>

26. TRANSACTIONS WITH RELATED PARTIES

The related parties comprise of entities over which the directors are able to exercise significant influence, entities with common directors, major shareholders, directors, key management and employees provident fund. The company has a policy whereby all transactions with related parties are entered into at arm's length prices using the permissible method of pricing. The transaction with related parties, other than remuneration under the terms of employment, are as follows:

Related Party	Nature of relationship	Nature of transaction / balance	JUNE 2012	JUNE 2011
Optimus Limited	Holding Company	Rental services rendered	33,928,521	23,940,961
		Management services received	1,690,000	1,442,500
		Vehicle maintenance service received	2,320,098	1,936,842
		Purchase of tracker	309,000	106,678
		Purchase of motor vehicle	59,636,500	19,185,000
		Sale of tracker	21,166	90,804
		Sale of motor vehicle	5,333,834	16,960,000
		Salary and allowances	2,619,109	1,765,746
		Travelling/Vehicle hiring	-	9,199
Mustang Security (Private) Limited	Common Directorship	Purchase of motor vehicle	-	41,200
		Sale of miscellaneous assets	-	9,650
Mustang Eye (Pvt) Ltd	Common Directorship	Tracker Service	15,730	-
Staff provident fund		Contribution to staff provident fund	80,765	89,118

27. REMUNERATION OF EXECUTIVE

27.1 The aggregate amount charged in the financial statements for the period in respect of remuneration and benefits to the Executives are as follows:

	Executive	
	June - 2012	June - 2011
Managerial remuneration	2,619,109	708,532
Total	<u>2,619,109</u>	<u>708,532</u>
No of persons	<u>1</u>	<u>1</u>

28. FINANCIAL INSTRUMENTS RELATED DISCLOSURES

28.1 Financial Risk Management Objectives

The company's activities expose to a variety of financial risks, including the effects of changes in foreign exchange rates, credit and liquidity risk associated with various financial assets and liabilities. The company finances its operations through equity and management of working capital with a view to maintain reasonable mix between various sources of finance to minimize risk. Taken as a whole, risk arising from the company's financial instruments is limited as there is no significant exposure to market risk in respect of such instruments.

28.2 Liquidity risk

Liquidity risk is the risk that the company will encounter difficulties in raising funds to meet commitments associated with Financial Instruments. The company is not exposed to any significant risk.

MATURITIES OF ASSETS AND LIABILITIES

JUNE 30, 2012					
DESCRIPTIONS	Total	Up to 3 Months	Over 3 Months to 1 year	Over 1 year to 5 years	Over 5 years
----- Rupees -----					
ASSETS					
Current portion of net investment in finance lease	9,548,235	9,548,235	-	-	-
Long term advances, deposits and prepayments	5,864,474	-	-	5,864,474	-
Deferred tax asset	25,714,173	-	-	-	25,714,173
Property, plant and equipment	117,755,443	-	-	117,674,685	80,758
Cash and bank balances	318,901	318,901	-	-	-
Advances, deposits, prepayments and other receivables	8,022,530	8,022,530	-	-	-
Taxation - net	5,566,818	-	5,566,818	-	-
Total Assets	172,790,574	17,889,666	5,566,818	123,539,159	25,794,931
LIABILITIES					
Current portion of long term deposits	9,568,175	9,568,175	-	-	-
Trade and other payables	2,237,622	2,237,622	-	-	-
Liabilities against assets subject to finance lease	54,197,362	4,020,447	12,995,180	37,181,735	-
Total Liabilities	66,003,159	15,826,244	12,995,180	37,181,735	-
Net Assets/Liabilities	106,787,415	2,063,422	(7,428,362)	86,357,424	25,794,931
Share Capital	107,444,130				
Reserve	(656,715)				
	<u>106,787,415</u>				

JUNE 30, 2011					
DESCRIPTIONS	Total	Up to 3 Months	Over 3 Months to 1 year	Over 1 year to 5 years	Over 5 years
Rupees					
ASSETS					
Net investment in finance lease	10,115,203	9,880,221	234,982	-	-
Long term advances, deposits and prepayments	252,063	-	-	252,063	-
Deferred tax asset	29,908,957	-	-	29,908,957	-
Property, plant and equipment	54,927,635	-	-	54,927,635	-
Cash and bank balances	535,558	535,558	-	-	-
Advances, deposits, prepayments and other receivables	10,903,196	10,903,196	-	-	-
Taxation - net	4,652,846	4,652,846	-	-	-
Total Assets	111,295,458	25,971,821	234,982	85,088,655	-
LIABILITIES					
Current portion of long term deposits	9,688,175	9,688,175	-	-	-
Trade and other payables	2,688,349	2,688,349	-	-	-
Total Liabilities	12,376,524	12,376,524	-	-	-
Net Assets/Liabilities	98,918,934	13,595,297	234,982	85,088,655	-
Share Capital	107,444,130				
Reserve	(8,525,196)				
	<u>98,918,934</u>				

28.3 Interest Rate Risk Management

Interest rate risk is the risk that the value of the financial instrument will fluctuate due to changes in the market mark-up/interest rates. Sensitivity to interest/mark up rate risk arises from mismatches of financial assets and financial liabilities that mature or repriced in a given period. The company manages these mismatches through risk management strategies where significant changes in gap position can be adjusted. The company is exposed to mark -up / interest rate risk in respect of the following:

Interest Rate Risk

	June 30, 2012							Total
	Interest / Mark-up bearing			Non Interest bearing				
	Interest rates	Maturity up to one year	Maturity after one year	Subtotal	Maturity up to one year	Maturity after one year	Subtotal	
----- (Rupees) -----								
FINANCIAL ASSETS								
Net investment in lease	15.73 % - 18%	9,548,235	-	9,548,235	-	-	-	9,548,235
Advances, deposits, prepayments and other receivables	-	-	-	-	6,429,333	-	6,429,333	6,429,333
Long term advances, deposits and prepayments	-	-	-	-	-	5,686,700	5,686,700	5,686,700
Cash and bank balances	5%-6%	204,031	-	204,031	114,870	-	114,870	318,901
		<u>9,752,266</u>	<u>-</u>	<u>9,752,266</u>	<u>6,544,203</u>	<u>5,686,700</u>	<u>12,230,903</u>	<u>21,983,169</u>
FINANCIAL LIABILITIES								
Trade and other payables		-	-	-	2,237,622	-	2,237,622	2,237,622
Liabilities against assets subject to finance lease	14.92%-14.97%	17,018,017	37,179,345	54,197,362	-	-	-	54,197,362
		<u>17,018,017</u>	<u>37,179,345</u>	<u>54,197,362</u>	<u>2,237,622</u>	<u>-</u>	<u>2,237,622</u>	<u>56,434,984</u>
Net financial assets / (liabilities) June 30, 2012		<u>(7,265,751)</u>	<u>(37,179,345)</u>	<u>(44,445,096)</u>	<u>4,306,581</u>	<u>5,686,700</u>	<u>9,993,281</u>	<u>(34,451,815)</u>

Interest Rate Risk

	June 30, 2011							Total
	Interest / Mark-up bearing			Non Interest bearing				
	Interest rates	Maturity up to one year	Maturity after one year	Subtotal	Maturity up to one year	Maturity after one year	Subtotal	
----- (Rupees) -----								
FINANCIAL ASSETS								
Net investment in lease	15.73 % - 18%	10,115,203	-	10,115,203	-	-	-	10,115,203
Security deposits	-	-	-	-	29,000	25,000	54,000	54,000
Cash and bank balances	5%-6%	319,020	-	319,020	216,538	-	216,538	535,558
		<u>10,434,223</u>	<u>-</u>	<u>10,434,223</u>	<u>245,538</u>	<u>25,000</u>	<u>270,538</u>	<u>10,704,761</u>
FINANCIAL LIABILITIES								
Trade and other payables		-	-	-	2,439,879	-	2,439,879	2,439,879
		<u>-</u>	<u>-</u>	<u>-</u>	<u>2,439,879</u>	<u>-</u>	<u>2,439,879</u>	<u>2,439,879</u>
Net financial assets / (liabilities) June 30, 2011		<u>10,434,223</u>	<u>-</u>	<u>10,434,223</u>	<u>(2,194,341)</u>	<u>25,000</u>	<u>(2,169,341)</u>	<u>8,264,882</u>

28.4 Financial assets and liabilities are approximate to their fair values.

28.5 Credit Risk

The Company's credit risk exposure is not significantly different from that reflected in the financial statements. The management monitors and limits company's exposure to credit risk through monitoring of clients' credit exposure, review and conservative estimates of provisions for potential lease losses and doubtful receivables and by obtaining securities/collateral for large amounts of credits. The management is of the view that it is not exposed to significant concentration of credit risk as its financial assets are adequately diversified in different avenues.

Breakdown of credit risk exposure by class of business is follows:

Class of Business	June 30 , 2012		June 30 , 2011	
	Lease and Hire Purchase Finance	Morabaha and Short Term Finance	Lease and Hire Purchase Finance	Morabaha and Short Term Finance
	%	%	%	%
Electrical and electric goods	-	94.17	2.91	98.25
Transport and communication	31.97	-	22.24	-
Foods and beverages	3.16	-	30.90	-
Trading	4.60	-	-	-
Insurance	-	-	-	-
Packaging	24.40	-	22.26	-
Miscellaneous	35.87	5.83	21.69	1.75
	100.00	100.00	100.00	100.00

29. DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue on 25 September, 2012 by the Board of Directors of the Company.

30. GENERAL

30.1 Figures have been rounded off to the nearest rupee.

30.2 Figures have been reclassified and re-arranged where necessary.

SIX YEARS AT GLANCE

PARTICULARS	2012	2011	2010	2009	2008	2007
FINANCIAL POSITION						
Balance Sheet Size	172,790,574	112,295,458	80,419,085	143,637,993	175,198,784	232,502,313
Paid-up Capital	107,444,130	107,444,130	107,444,130	107,444,130	107,444,130	107,444,130
Statutory Reserves	19,562,237	17,988,541	9,638,752	9,638,752	9,638,752	9,638,752
Un-appropriated Profits	20,218,952	26,513,737	59,052,672	22,010,718	19,170,325	2,064,784
Fixed Assets (Net)	117,755,443	54,927,635	55,448,587	1,189,763	1,745,763	4,052,976
Net Investment in Lease & Hire Purchase Fin.						
Long Term Loans	9,548,235	10,115,203	18,613,145	77,614,777	37,509,858	66,372,407
Lease Obligations	-	-	-	4,053,960	5,005,063	11,148,801
Long Term Deposits	54,197,362	-	-	-	-	1,051,509
Current Assets	9,568,175	9,688,175	15,640,387	38,800,236	11,248,429	20,518,842
Current Liabilities	23,456,484	26,206,803	23,925,473	108,453,720	116,443,674	140,187,957
	28,823,814	12,376,524	22,247,815	44,452,000	61,032,736	81,664,204
INCOMES AND EXPENSES						
Income from operations	21,899,640	15,681,310	3,899,215	6,999,173	10,851,624	13,261,578
Other Income	122,154	1,281,925	1,485,600	2,139,289	3,212,391	4,640,481
Administrative & Operating Expenses						
Financial Charges	6,428,240	5,910,539	8,306,181	12,541,832	17,373,359	16,170,431
Other Charges	1,109,430	2,012	330,169	2,382,683	5,408,875	8,951,697
Provision / (reversal) for losses	2,129,720	248,470	-	-	-	-
Profit/(Loss) before Tax	(55,530)	(1,372,807)	14,565,207	(3,054,461)	10,601,437	(936,476)
Taxation	12,409,936	12,175,021	(17,817,441)	(2,731,592)	(20,856,008)	(8,105,543)
Profit (Loss) after Tax	(4,541,455)	29,573,923	(19,122,140)	-	175,000	-
	7,868,481	41,748,944	(36,939,581)	(2,731,592)	(21,031,008)	(8,105,543)

**PATTERN OF SHAREHOLDING
HELD BY THE SHAREHOLDERS AS AT JUNE 30 2012**

No. of Shareholders	-----Shareholding-----		Total Shares Held
	From	To	
189	1	100	11,338
154	101	500	46,765
194	501	1000	124,460
105	1001	5000	211,062
9	5001	10000	63,497
6	10001	15000	75,591
7	15001	20000	126,047
2	25001	30000	55,346
1	30001	35000	30,956
1	35001	40000	35,500
1	235001	240000	239,465
1	275001	280000	277,179
1	440001	445000	440,625
1	9005001	9010000	9,006,582
672			10,744,413

**CATEGORIES OF SHAREHOLDERS REQUIRED UNDER C.C.G.
AS ON 30TH JUNE 2012**

S. No.	NAME	% AGE	HOLDING
DIRECTORS, CEO THEIR SPOUSE AND MINOR CHILDREN			
1	MR. SHAHRUKH SAEED FARUQUI	0.0047	500
2	MS. AYESHA QADRI	0.0047	500
3	MR. MUSTAFA JAFAR	0.0047	500
4	SYED SAJID NASIM	0.0047	500
5	SYED HASAN AKBAR KAZMI	0.0047	500
6	MR. MUHAMMAD SAJID	0.0047	500
7	MR. SAAD SAEED FARUQI	0.0047	500
		<u>0.0326</u>	<u>3,500</u>
ASSOCIATED COMPANIES			
1	OPTIMUS LIMITED	<u>83.9550</u>	<u>9,020,473</u>
BANKS, DEVELOPMENTS, FINANCIAL INSTITUTIONS, NON BANKING FINANCIAL INSTITUTIONS			
		4.1010	440,625
1	INDUSTRIAL DEVELOPMENT BANK OF PAK.	0.0047	500
2	BANKERS EQUITY LIMITED.	0.1098	11,800
3	ESCORTS INVESTMENT BANK LIMITED.	<u>4.2154</u>	<u>452,925</u>
INSURANCE COMPANIES			
		2.2287	239,465
1	STATE LIFE INSURANCE CORP. OF PAKISTAN	0.0109	1,175
2	GULF INSURANCE CORP. OF PAKISTAN	<u>2.2397</u>	<u>240,640</u>

JOINT STOCK COMPANIES	0.0055	587
1 LAHORE STOCK EXCHANGE (GUARANTEE) LTD.	0.0070	750
2 PRUDENTIAL SECURITIES LIMITED	0.1666	17,900
3 BEAMING INVEST & SECURITIES(PVT.) LTD.	0.0052	557
4 ISMAIL ABDUL SHAKOOR SECURITIES (PRIVATE	0.0016	175
5 M.R. SECURITIES (SMC-PVT) LTD.	0.0219	2,350
6 AL-HAQ SECURITIES (PVT) LTD.	0.1542	16,567
7 DR. ARSLAN RAZAQUE SECURITIES (SMC-PVT)	0.0164	1,762
8 CORPORATE SOLUTIONS (PVT) LIMITED	0.0008	87
9 MAM SECURITIES (PVT) LIMITED	0.0016	175
10 DARSON SECURITIES (PVT) LIMITED	0.0055	587
11 S.H. BUKHARI SECURITIES (PVT) LIMITED	0.0016	175
12 CAPITAL VISION SECURITIES (PVT) LTD.	0.0000	1
13 EXCEL SECURITIES (PVT.) LTD.	0.0293	3,150
14 NH SECURITIES (PVT) LIMITED.	0.1667	17,912
15 PYRAMID INVESTMENTS (PVT) LTD.	0.0057	617
16 SARFRAZ MAHMOOD (PRIVATE) LTD	0.5896	63,352
SHARES HELD BY THE GENERAL PUBLIC	8.9677	963,523
TOTAL:	100.0000	10,744,413

During the financial year, the trading in shares of the company by the Directors, CEO, CFO, Company Secretary and their spouses and minor children is as follows

Sr. No.	Name	Sale	Purshase
1	Ms Ayesha Qadri	500	
2	Mr. Sardar Ali Wattoo	500	500

SHAREHOLDERS HOLDING 10% OR MORE OF TOTAL CAPITAL:

1	OPTIMUS LIMITED	TOTAL:	9,020,473	83.9550
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PROXY FORM

I/We _____ of _____ being a Shareholder of CAPITAL ASSETS LEASING CORPORATION LIMITED and holding _____ Ordinary Shares as per Register Folio No. _____ or "CDC" Participant's I.D. No. _____ A/c No. _____ hereby appoint Mr. / Mrs. _____ of _____ or failing him/her Mr. / Mrs. _____ of _____ as my/our Proxy in my/our absence to attend and vote for me/us and on my/our behalf at the 20TH Annual General Meeting of the Company to be held on Saturday, October 20th, 2012 and at any adjournment thereof.

Affix Revenue Stamp(s) of Rupees five
Executant's Signature on Revenue Stamp(s)
(Signature should agree with the Specimen Signature registered with the Company).

Executant's Computerized National Identity Card Number (CNIC) or Passport Number

_____ First Witness Signature	_____ Second Witness Signature
_____ Name in Block letters and Address	_____ Name in Block letters and Address
_____ Computerized National Identity Card Number or Passport Number of Witness	_____ Computerized National Identity Card Number or Passport Number of Witness

Proxy's Signature

Proxy's Signature

Notes:

1. A Member entitled to attend and vote at the Meeting may appoint any other member as his/her proxy to attend and vote on his/her behalf. A proxy must be a member of the Company, however corporation may appoint a person who is not a member.
2. This form should be signed by the member or by his/her attorney duly authorized in writing. If the member is a Corporation, its common seal should be affixed to the instrument. The proxy form must be witnessed by two persons.
3. The form of the proxy together with the power of attorney, if any, under which it is signed or a notarially certified copy thereof, must be deposited duly completed in all respects at the Company's Registered office at least 48 hours before the time of holding the Meetings.
4. Signature should agree with the specimen registered with the Company.
5. The following requirements have to be met by CDC Account holders/Corporate entities:
 - i. The proxy form must be witnessed by two persons whose names, addresses and C.N.I.C. number should be mentioned on the form.
 - ii. Attested copies of C.N.I.C or Passport of the beneficial owners shall be furnished with the proxy form.
 - iii. The proxy shall produce his/her original C.N.I.C or passport at the time of meeting.

The Company Secretary
Capital Assets Leasing Corporation Limited
14th Floor, Chapal Plaza
Hasrat Mohani Road, Karachi-74000.

AFFIX
CORRECT
POSTAGE

FOLD HERE

FOLD HERE

FOLD HERE

FOLD HERE

If undelivered please return to



Capital Assets Leasing Corporation Limited

14th Floor, Chapal Plaza, Hasrat Mohani Road, Karachi-74000.

Tel: +92 (21) 32431181-8 Fax: +92 (21) 32654718 E-mail: calcorp@optimus.com.pk